

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
HONOLULU, HAWAII

July 18, 1985

MEMORANDUM 1985-25

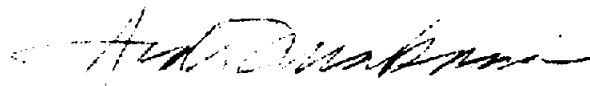
TO: Heads of Departments and Agencies
FROM: Hideo Murakami, Comptroller
SUBJECT: Taxability of Personal Use of State Automobiles

This memorandum follows our earlier ones (1985-16 and 1985-22) on the above subject and is for the purpose of providing a specific instruction for preparation of the payroll change schedules for the payroll period ending 8-15-85.

As explained in Memorandum 1985-22, the amount of auto use fringe benefit applicable to an employee should be coded with an "A" in the Wages-in-Kind column of the payroll change schedule. For most affected employees, there will be two such amounts entered for the payroll period ending 7-31-85, because that is the payroll period in which the retroactive amount for the first 6 months of calendar 1985 is to be reported, as well as the current amount for that particular payroll period. Both amounts on the 7-31-85 payroll change schedules should be coded with an "A".

Due to programming considerations, the payroll system will combine all entries for a single employee in the Wages-in-Kind column; therefore, even though separate retroactive and current amounts are entered for an employee on the 7-31-85 payroll change schedules, the outputs from the payroll system will reflect only one amount, which will be the sum of all entries for the employee in the Wages-in-Kind column.

This result also means that the payroll change schedules printed for your use in the payroll period ending 8-15-85 will reflect only the one amount which was the sum of the entries on the 7-31-85 payroll change schedules. Your staff preparing the 8-15-85 payroll change schedules for payment will therefore need to cross-out that amount and enter in the place of it the correct current amount for the 8-15-85 payroll period. This procedure is similar to other up-dating that is required on the payroll change schedules; this memorandum is merely to put your staff on notice to use the procedure for the 8-15-85 payroll change schedules, to remove any retroactive amount carried over from the 7-31-85 payroll period.



HIDEO MURAKAMI
Comptroller